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Eradication of poverty and other development issues

Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017)

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 70/218. With less than one year remaining before the end of the Second Decade for the Eradication of Poverty (2008-2017), the report reviews progress made by the United Nations system in implementing the objectives of the Second Decade, as well as the challenges that remain. The report concludes with key recommendations for consideration by the Assembly.

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I. Introduction

1. In adopting the 2030 Agenda for Sustainable Development, Member States reaffirmed their commitment to poverty eradication by pledging to end poverty in the next 15 years. That pledge builds upon the success of the Millennium Development Goals, while also recognizing the linkages between the economic, social and environmental dimensions of sustainable development. The General Assembly adopted resolution 70/218, entitled "Second United Nations Decade for the Eradication of Poverty (2008-2017)", in which it requested that the Secretary-General report to the Assembly at its seventy-first session on the progress made in eradicating poverty in all its forms and dimensions, including extreme poverty. The Assembly also requested a review of the progress made by the agencies, funds and programmes of the United Nations system in the implementation of the objectives of the Second Decade. The present report responds to that resolution.

2. The objective of the Second Decade is to support, in an efficient and coordinated manner, the follow-up to the implementation of the internationally agreed development goals, including the Sustainable Development Goals, as established by the 2030 Agenda, and the unfinished business of the Millennium Development Goals relating to the eradication of poverty and to coordinate international support to that end. A United Nations system-wide plan of action that emphasized full employment and decent work for all was created to enhance coordination within the United Nations system.

3. Progress in tackling poverty and hunger and creating full employment and decent work opportunities for all since the beginning of the Second Decade should be viewed in the context of a challenging global environment. At the beginning of the Second Decade, the world was reeling from the aftershocks of a major global financial and economic crisis and a food and energy crisis. Those crises resulted in a major social and economic upheaval that was punctuated by massive job losses, an increase in food insecurity and cuts to public services. The 2008 food price spike increased the number of undernourished people by an estimated 63 million. Similarly, the 2010 food price spike had a significant impact on people living in poverty. Sixty-eight million rural and urban net food buyers were pushed below the poverty line, as compared with 24 million net food sellers who were able to escape poverty. Those distributional impacts resulted in a net increase of 44 million more people in poverty.[1] Over the course of the Second Decade, levels of inequality in income, wealth and opportunities have also remained high or widened in a number of countries after being in decline for decades.

4. Currently, the world is experiencing civil strife and conflicts that are driving suffering and humanitarian need to unprecedented levels. Natural disasters, exacerbated by the effects of climate change, are affecting a greater number of people than ever before, eroding development gains and jeopardizing social cohesion and the stability of entire countries. Major disease outbreaks have also had a negative impact on poverty eradication in some countries, while the weak global economy is taking a toll on employment in many developing and transition economies, in particular those that have suffered from depressed commodity exports and prices.

[1] World Bank, "Responding to higher and more volatile world food prices", Report No. 68420-GLB (Washington, D.C., 2012).

II. Progress in eradicating poverty, reducing inequality and promoting inclusive development

A. Eradicating poverty and hunger

Global income and non-income poverty

5. The incidence of poverty continued to decline during the Second Decade. The proportion of people living on less than $1.25 a day, in terms of 2005 purchasing power parity, fell to 16.9 per cent in 2011 from 21.8 per cent in 2008. Poverty declined in all regions but at different paces. In East Asia and the Pacific, extreme poverty levels declined to 7.9 per cent in 2011 from 13.7 per cent in 2008. In South Asia, extreme poverty declined to 24.5 per cent from 34 per cent. Progress was less pronounced in sub-Saharan Africa, where poverty rates declined to 46.9 per cent from 49.7 per cent during the same period. In Latin America and the Caribbean, poverty rates remained low, at 5.4 per cent in 2008 and 4.6 per cent in 2011. Similarly, in the Middle East and North Africa, poverty rates remained at the low levels of 2.1 per cent in 2008 and 1.7 per cent in 2011. Extreme poverty rates in Europe and Central Asia, at 0.5 per cent in both 2008 and 2011, remained low and unchanged.

6. An estimated 1.25 billion people lived on less than $1.25 a day in 2008, compared to 1.01 billion in 2011. In sub-Saharan Africa, the number increased from 403.4 million in 2008 to 415.8 million in 2011. In South Asia, the number declined from 540.3 million to 398.9 million. Absolute numbers also declined in Latin America and the Caribbean and in the Middle East, but remained largely unchanged in Europe and Central Asia.[2]

7. If poverty is defined in relative terms, as incomes representing less than 60 per cent of the median income, there was an increase in poverty in developed countries, especially in Europe. In 2012, over 300 million people in developed countries were estimated to be living in poverty.[3] Trends in child poverty since 2008 also remain a concern. Using a poverty line anchored to the relative poverty line in 2008, child poverty increased in 23 member countries of the Organization for Economic Cooperation and Development (OECD) after 2008. There were nearly 77 million children living in poverty in the 41 most affluent countries in 2014.[4] In five countries, child poverty rates increased by more than 50 per cent. In the European Union, the proportion of children in poverty is higher than that of adults. Furthermore, an estimated 7.5 million young people were not in education, employment or training in the European Union in 2013, nearly a million more than

[2] An estimated 391.5 million people lived on less than $1.90 a day in 2008 in sub-Saharan Africa. The number increased to 393.5 million in 2011 and declined to 388.8 million in 2012. Using that standard, in South Asia, 501.5 million people were poor in 2008 as compared with 309.2 million in 2012. In East Asia and the Pacific, the number declined from 296.9 million in 2008 to 147.2 million in 2012. In Latin America and the Caribbean, the number declined to 33.7 million in 2012 from 41.1 million in 2008.

[3] International Labour Organization (ILO). *World Employment Social Outlook 2016: Transforming Jobs to End Poverty* (Geneva, 2016).

[4] United Nations Children's Fund (UNICEF) Office of Research — Innocenti, *Children of the Recession: The Impact of the Economic Crisis on Child Well-being in Rich Countries*, Innocenti Report Card 12 (Florence, Italy, UNICEF, 2014).

in 2008. In low- and middle-income countries, children aged 17 and under make up 46 per cent of the population living on less than $1.90 a day.[5]

8. Overall, middle-income countries, with their large populations, are home to three quarters of the world's people living in extreme poverty. For example, in China and India, the number of people living on less than $1.25 a day in 2011 stood at 84.1 million and 301.3 million, respectively.

9. Progress has also been observed in reducing non-monetary poverty. Multidimensional measures provide an alternative way of looking at poverty, covering a range of dimensions and deprivations that affect people's opportunities and life chances. According to the Multidimensional Poverty Index,[6] there were 1.6 billion people living in multidimensional poverty in 2015.[7] Of that number, 54 per cent lived in South Asia and 31 per cent in sub-Saharan Africa. There have been significant improvements, however, in reducing hunger and malnutrition. In 72 out of the 129 countries that the Food and Agriculture Organization of the United Nations (FAO) monitors, the Millennium Development Goal target of halving the prevalence of undernourishment by 2015 was achieved. However, developing regions as a whole missed the target by a small margin, and the number of people who are chronically undernourished remains high, at 795 million in 2016, compared with 867 million in 2009.[8] A vast majority of those people live in rural areas in developing countries and rely on subsistence agriculture for their income.

Income and non-income poverty in Africa and the least developed countries

10. The challenge of poverty remains daunting in Africa and the least developed countries. To achieve the overarching objective of eradicating poverty and leaving no one behind in the realization of the Sustainable Development Goals, it is critical to pay particular attention to the situations in those countries.

11. After two decades of high economic growth and increased foreign investment, sustained poverty reduction has occurred in only a few countries in Africa and in a few of the least developed countries. Extreme poverty in Africa declined to 39.6 per cent in 2011 from 41.8 per cent at the beginning of the Second Decade and 46.6 per cent in 1990. In sub-Saharan Africa, extreme poverty declined to 46.9 per cent in 2011 from 49.7 per cent in 2008 and 56.8 per cent in 1990. Despite that decline, the number of people living in poverty increased in sub-Saharan Africa by more than 100 million between 1990 and 2011. An estimated 156 million children in sub-Saharan Africa are also expected to live on less than $1.90 a day in 2030, comprising nearly half of the world's extreme poor.[5]

12. In the least developed countries, extreme poverty declined to 44.8 per cent in 2011 from 48.9 per cent in 2008 and 65.9 per cent in 1990. In 2011, levels of extreme poverty exceeded 50 per cent in 14 of the least developed countries

[5] UNICEF, *The State of the World's Children Report: A Fair Chance for Every Child* (New York, 2016).

[6] The Multidimensional Poverty Index complements monetary measures of poverty by considering overlapping deprivations across health, education and standard of living.

[7] Sabina Alkire and others, "Global Multidimensional Poverty Index 2015", Oxford Poverty and Human Development Initiative, June 2015.

[8] FAO, *The State of Food and Agriculture: Social Protection and Agriculture — Breaking the Cycle of Rural Poverty* (Rome, 2015).

(including six countries with levels above 70 per cent), as compared with 15 countries in 2008 (including four countries with levels above 70 per cent).

13. The slow pace of structural change is a key contributor to the persistence of high levels of unemployment, vulnerable employment and poverty, in particular in the least developed countries. The sources of growth in fast-growing least developed countries such as Ethiopia, Rwanda, Uganda and the United Republic of Tanzania have not been in employment-intensive sectors. Similarly, extractive industries in resource-rich countries have also not created enough good jobs.

14. Over the same period, non-income measures of poverty continue to improve in Africa and the least developed countries even though performance is mixed across countries. Many African countries have posted improvements in health and education indicators. There has been considerable progress on child survival since 1990 even though the continent still accounts for half of all child deaths. Faster progress in other regions has left Africa with the highest concentration of under-5 mortality of any region. Child mortality rates in the least developed countries, where 36 per cent of all under-5 deaths occurred in 2012, also remain high. There have been improvements in primary school enrolment rates, notwithstanding much slower progress in reducing the number of children out of school. Of particular concern are the over 24 million children of primary school age who are out of school in the least developed countries.

B. Inclusive growth to reduce poverty and inequality — the role of decent work

15. On balance, existing evidence shows that, across countries and over time, rapid and sustained economic growth contributes to the reduction of poverty. However, narrowly based economic growth has a limited impact on poverty reduction and tends to exacerbate income inequality. The World Bank estimates that, if national growth rates for the past decade are maintained for the next 15 years, the global extreme poverty rate will fall to 4 per cent by 2030.[9] Economic growth has, on average, significantly reduced hunger in the developing world since 1990. In Ghana, for example, average annual growth rates of 3.3 per cent contributed to the reduction in the prevalence of hunger from 47 per cent in 1990 to 5 per cent in 2014. Extreme poverty declined to 18.0 per cent in 2011 from 50.5 per cent in 1990.[8]

16. There are substantial differences among countries with respect to the rate at which poverty has declined with economic growth. The recent growth experience of some countries illustrates the mixed impact of growth on poverty. Countries such as Liberia, Malawi and Mozambique have experienced an increase in poverty despite high levels of growth in gross domestic product (GDP). In contrast, high-growth countries such as Sierra Leone and Swaziland have managed to reduce poverty. Countries whose exports depend on natural resources and primary goods have seen the smallest improvements, given that resource extraction activities, being capital-intensive in nature, create few decent jobs. The presence of a large informal and rural economy further weakens the link between the exploitation of natural resources and poverty reduction. In the Asia-Pacific region, the benefits of

[9] World Bank, *World Development Indicators 2016* (Washington, D.C., 2016).

economic expansion have accrued less to people living in poverty in recent years, as is evident from slowdown in the rate of poverty reduction and rising inequality.

Recent global and regional employment trends

17. The global labour market remains fragile and uneven owing to slower growth. In 2015, the global economy grew at a much slower pace than had been initially anticipated, owing mainly to a slowdown in economic growth in major emerging economies. The weak growth and continued slowdown in those countries will affect the world of work in the years ahead. That weakening pushed the number of unemployed to 197.1 million in 2015. That is over 27 million more than at the pre-crisis level. The number of unemployed globally stood at 177 million in 2008. The number of unemployed is expected to rise by more than 3.4 million over the next two years.[10] In terms of labour force participation, the number of working-age individuals who did not participate in the labour market in 2015 exceeded 2 billion, a disproportionate number of whom were women, with only half of women globally participating in the labour market, compared with over three quarters of men.

18. Young people, and young women in particular, have been disproportionately affected by the weak labour market. The global number of unemployed youth stood at 76 million in 2008 and at 76.6 million at the peak of the global recession. In 2014, 73.3 million youth were unemployed. The declining trend shows that the youth unemployment crisis is easing at the global level.[11] The global youth unemployment rate rose from 12.1 per cent in 2008 to 13.4 per cent in 2009 and has declined to just over 11 per cent in 2015. Young women have higher unemployment rates than young men. At the regional level, North Africa has the highest percentage of youth unemployment in the world, around 30 per cent in 2015.

19. The poverty rate for those who are employed also remains high. In 2015, an estimated 967 million workers lived in near or moderate poverty and another 327 million lived in extreme poverty. Nonetheless, the share of workers living in extreme poverty (less than $1.90 a day) as a percentage of total employment in emerging and developing countries has declined considerably, from 22.2 per cent in 2005 to 12 per cent in 2015. Similarly, in 2015, 27.9 per cent of the employed population in emerging and developing regions was considered moderately poor (less than $3.10 a day), compared with 44.7 per cent in 2005. In Africa, rates of extreme and moderate poverty among the employed declined from 40 to 29.8 per cent and from 69.0 to 57.8 per cent, respectively, during the same period. Working poverty rates were also high in Asia and the Pacific; extreme poverty declined from 23.2 to 10.4 per cent and moderate poverty from 48.8 to 26.4 per cent over the same period.[3] Within regions, there are stark differences in progress achieved among countries. Poverty reduction through decent work has not yet become a shared experience for all countries.

Informal employment, micro, small and medium-sized enterprises and poverty eradication

20. In many developing and emerging economies, informal employment exceeds non-agricultural employment by more than half, with the share of informal employment varying across regions and among countries. In sub-Saharan Africa, the

[10] ILO, *World Employment and Social Outlook: Trends 2016* (Geneva, 2016).

[11] ILO, *Global Employment Trends for Youth 2015: Scaling Up Investments in Decent Jobs for Youth* (Geneva, 2015).

informal economy contributes 50 to 80 per cent of GDP, 60 to 80 per cent of employment and 90 per cent of new jobs.[12] The informal economy contributes about 82 per cent of employment in South Asia, 65 per cent in East and South-East Asia (excluding China), and 47 per cent in Latin America and the Caribbean. In Eastern Europe and the countries of the Commonwealth of Independent States, informal employment accounts for over 20 per cent of total employment, while estimates for Central and South-Eastern Europe (outside the European Union) and the Middle East are between 15 and 30 per cent.[13] In most regions, a high proportion of workers in the informal sector are women, and they tend to be disproportionately concentrated in the lowest-earning segments of informal employment.

21. Such high levels of informal employment pose a challenge to poverty eradication efforts, since jobs in the informal sector have low levels of productivity, are poorly remunerated and offer little to no social protection. Fighting poverty will, therefore, require increasing earnings and reducing risks in the informal economy. Increasing incomes among the working poor can be transformational for individuals and their families, but that will require changing the legal and regulatory environment in which the informal sector operates in most countries. Lifting productivity and earnings entails providing skills training and financial and business development services to micro, small and medium-sized enterprises. Furthermore, poverty cannot be eliminated unless gender inequalities are redressed through reducing and eliminating gender segmentation and gender gaps in earnings and introducing reconciliation policies that help women to balance work with family responsibilities. That will require changing social norms and human resources management practices in both the informal and formal economies.

22. Most informal employment and vulnerable employment takes place in micro, small and medium-sized enterprises. Evidence suggests that there is a strong positive relationship between access to financing and job growth among micro, small and medium-sized enterprises. Firms with access to loans exhibit employment growth that is between 1 and 3 percentage points higher than firms with no access to financing. More importantly, micro, small and medium-sized firms with access to loans have employment growth that is between 1 and 4 percentage points higher than that of firms without access to loans.[14] However, not all of the jobs created by those enterprises are productive and decent and contribute to poverty eradication. Employment in the sector is distinguished by low incomes and poor working conditions and provides little or no formal social protection. What matters for poverty eradication is the creation of decent jobs in productive enterprises that survive, grow and provide social protection.

Agriculture and decent rural employment

23. Rural populations remain large and overrepresented among the poorest and the food insecure. Some 80 per cent of the world's extreme poor live in rural areas, where most are dependent on agriculture. Agriculture is also the biggest source of

[12] Nancy Benjamin and Ahmadou Aly Mbaye, "Informality, growth and development in Africa", *WIDER Working Paper*, No. 52 (Helsinki, United Nations University — World Institute for Development Economics Research, 2014).

[13] ILO, *Global Employment Trends 2014: Risk of a Jobless Recovery?* (Geneva, 2014).

[14] Meghanna Ayyagari and others, "Access to finance and job growth: firm-level evidence across developing countries", Policy Research Working Paper, No. 7604 (Washington, D.C., World Bank, 2016).

employment in low-income countries, averaging 68 per cent in Africa and 60 per cent in the least developed countries.[15] In developing countries, women make up, on average, about 40 per cent of the agricultural labour force, ranging from 20 per cent in Latin America to 50 per cent or more in parts of Africa and Asia.[16]

24. Sustainably increasing agricultural productivity, along with rural industrialization, is critical for poverty eradication. It is growth in that sector, including the creation of decent rural non-farm jobs, that will be a key driver of poverty eradication. While there has been some progress since 2008 in raising agricultural investment rates in developing countries, notably in Africa, those investments are still inadequate given the magnitude of what is needed to significantly reduce rural poverty, unemployment and vulnerable employment. For example, Viet Nam managed to transform itself from an agrarian economy in the 1990s into a top exporter of agricultural products within a span of two decades. In the process, poverty declined dramatically and farm and non-farm employment expanded.

25. Eradicating rural poverty entails improving access to quality education and health-care services, clean water and sanitation, transportation and communications. A lack of those public goods and services makes rural populations more likely to experience poverty traps. Specific rural groups, such as women, children, youth, persons with disabilities, indigenous groups, older persons and migrants, continue to face specific inequalities and discrimination. For example, child labour is widespread and represents a major challenge for eradicating rural poverty. Nearly 60 per cent of child labourers, or about 98 million children, work in agriculture.[17] Child labour in agriculture is harmful to children and perpetuates rural poverty as it interferes with children's education and has long-term effects on their ability to gain access to decent and productive employment opportunities later in life.

26. Similarly, rural women continue to benefit less than men from decent rural employment. They face more constraints than men in accessing land, credit, extension services and social protection. They also face wage discrimination in rural labour markets and often work without remuneration on family farms. Youth are also overrepresented among the working poor and in vulnerable employment in rural areas.

Structural transformation, jobs and poverty eradication

27. National experiences show that a critical pathway to inclusive growth is the creation of full employment and decent work opportunities for both women and men. Productive jobs that offer decent living wages with basic social protection are fundamental to making growth and development inclusive and sustainable by fuelling increased consumption and saving, which in turn stimulates investment and a virtuous circle in which increased public and private resources are generated to meet society's needs.

28. Structural transformation, which involves a progressive shift from agriculture to industry and then to services, has been the primary strategy through which developed countries have reduced poverty and created good jobs. Similarly, in large

[15] *The Least Developed Countries Report 2015: Transforming Rural Economies* (United Nations publication, Sales No. E.15.II.D.7).

[16] FAO, *The State of Food and Agriculture: Women in Agriculture — Closing the Gender Gap for Development* (Rome, 2011).

[17] ILO, "Child labour in agriculture", available from www.ilo.org/ipec/areas/Agriculture/lang--en/index.htm.

emerging economies such as China, Indonesia and the Republic of Korea, structural transformation through industrialization has played an important role in economic growth and raising living standards.

29. The lack of structural transformation still impedes the ability of most developing countries to effectively fight poverty and raise standards of living, notwithstanding steady growth over the past few decades, a growing consumer base and strong export records. The heavy dependence on primary commodity exports has led to an economic growth pattern that has resulted in jobless growth, social exclusion and a failure to lift millions out of poverty. It has, therefore, become imperative for developing countries, especially those in Africa and the least developed countries, to focus on fostering growth in higher value added and productive sectors. Such a transformation would increase incomes from employment and other economic activity by enhancing labour productivity, creating productive employment opportunities and reducing the proportion of the working poor who are engaged in agriculture and informal activities. Furthermore, more productive activities, coupled with improved tax administrative systems, have the potential to boost public revenues, some of which can be invested in education, health and infrastructure, or transferred to those most in need through social protection systems.

C. Social development

Education

30. Education is the foundation for inclusive sustainable development. It is a strong instrument for eradicating poverty, reducing inequality and achieving other socially desirable outcomes such as reductions in maternal and child mortality. It provides individuals with an opportunity to enhance their skills to obtain good jobs and higher wages and spurs national growth. Each additional year of schooling raises an individual's annual earnings by about 10 per cent.[18] Research shows that to reap greater benefits, investments in education have to start in early childhood. To ensure that education contributes to economic growth and poverty eradication, countries need to expand opportunities, including in rural and remote areas. Attention should also be focused on improving quality, given that more than 130 million children cannot read despite having reached the fourth grade.[19]

31. Substantial progress has been made across the world towards the goal of universal education. Around 184 million children were enrolled in pre-primary education in 2012, an increase of nearly 67 per cent since 1999. The primary school net enrolment ratio increased to 93 per cent in 2015 from 84 per cent in 1999. It increased by at least 20 percentage points in 17 countries, 11 of which were in sub-Saharan Africa. At the primary school level, 69 per cent of the countries had reached gender parity and 17 countries had halved their illiteracy rates by 2015. The primary completion rate also increased globally to 92 per cent in 2013 from 81 per cent in 1990, and the number of primary school-age children who were out of school decreased to 57 million in 2015, from 100 million in 2000.[19]

[18] Claudia E. Montenegro and Harry Patrinos, "Comparable estimates of returns to schooling around the world", Policy Research Working Paper, No. 7020 (Washington, D.C., World Bank, 2014).

[19] United Nations, *The Millennium Development Goals Report 2015* (New York, 2015).

32. However, challenges still remain. At the primary and lower secondary school levels, progress has been stagnant in recent years, and there are disparities between regions and poor and rich children. One out of six children and one out of three adolescents in low- and middle-income countries did not complete primary and lower secondary education, respectively, in 2015. There are 57 million primary school-age children who are out of school, of whom 55 per cent are girls and 33 million are in sub-Saharan Africa. Those poor outcomes are due to conflict, discrimination, violence, child marriage and access-related problems such as distance, disability status and cost.

Health care

33. Unprecedented progress has been made globally to improve access to quality health care, contributing to economic growth and poverty eradication. More people have access to essential health services today than at any other time in history. By 2013, 84 per cent of 1-year-olds had been vaccinated against diphtheria, tetanus and pertussis, and 76 per cent of women reported that their demand for family planning services had been met by a modern method.[20] The maternal mortality ratio declined to 216 per 100,000 live births in 2015 from 385 per 100,000 live births in 1990. The proportion of births that took place in the presence of a skilled birth attendant increased from 60 to 68 per cent between 2000 and 2011. The under-5 mortality rate fell by 53 per cent between 1990 and 2015. Globally, malaria incidence and mortality rates among populations at risk fell to 30 per cent and 47 per cent, respectively, during the period 2000-2013. Cases of tuberculosis are declining, along with deaths among those with HIV-negative tuberculosis. The number of new HIV infections declined to 2.1 million in 2013 from 3.4 million in 2001.

34. However, substantial coverage gaps remain across regions and within countries. For example, only half of all births are attended by skilled professionals in poor countries, and only 37 per cent of people living with HIV receive antiretroviral therapy. Furthermore, 36 per cent of the world's population, or nearly 2.5 billion people, lack access to improved sanitation facilities. That disease burden disproportionately falls on people living in poverty and marginalized groups, often pushing them into poverty. A study covering 37 countries found that 6 per cent of the population was pushed into extreme poverty (living on less than $1.25 a day) when they had to pay for health services out of their own pockets. Seventeen per cent of the population living on less than $2 a day in those countries was impoverished by health expenses.[20]

Gender equality and women's empowerment

35. Countries that have sought to actively increase the access of women and girls to quality education and health care, decent employment and productive resources have been able to improve the quality and pace of growth and have reduced poverty and inequality. In several Latin American countries, an increase in the access of women, in particular poor women, to the labour market brought about a reduction in

[20] World Health Organization (WHO) and World Bank. *Tracking Universal Health Coverage: First Global Monitoring Report* (Geneva, WHO, 2015).

poverty and inequality.[21] A study of more than 100 countries over three decades found that a 1 percentage point increase in the share of adult women with secondary education results in an increase in per capita income of up to 0.3 percentage points.[22]

36. Promoting gender equality and women's empowerment also significantly contributes to the well-being of children, including by breaking the intergenerational cycle of poverty. Decisions taken and practices adopted by better-educated women, such as improved birth spacing, having fewer children, making better decisions when it comes to investing in children's education and health and adopting improved sanitation practices, have been shown to lower infant and child mortality rates.

37. Remarkable progress continues to be made in all regions to promote gender equality and women's empowerment. Many more girls are currently enrolled in school compared with a decade ago, with the developing regions as a whole having achieved the Millennium Development Goal target of eliminating gender disparity in primary, secondary and tertiary education. The proportion of women in vulnerable employment declined by 13 percentage points between 1991 and 2015. Women made up 41 per cent of paid workers outside the agricultural sector in 2015, up from 35 per cent in 1990. Since 1990, the proportion of women in parliamentary representation increased in nearly 90 per cent of the 174 countries with such data. Women have also gained greater legal rights to access employment and own and inherit property.

38. Despite those gains, more women live in poverty than men and their labour force participation has stagnated, if not worsened, following the Great Recession. The gender gap in labour force participation rates remains high, at 27 percentage points. Women are overrepresented in informal employment, enduring poor and sometimes dangerous working conditions, lack of social protection and low pay. That discrimination robs women of the ability to adequately support themselves and their families and to enjoy an adequate standard of living. Discriminatory practices also limit women's access to assets and resources such as land, information and knowledge, technology and credit. Financial exclusion remains a persistent constraint for women, in particular in developing countries.

39. Addressing those challenges requires policies that enable women and men to reconcile family-work responsibilities such as paid maternity and parental leave. Investment in infrastructure, such as water and sanitation and electrification, needs to be made, especially in rural areas, while the public provision of care services, especially childcare, will increase the participation of women, in particular poor women, in the labour market.

III. Social protection and poverty eradication

40. Social protection systems continue to play an important role in reducing poverty, hunger and malnutrition and to improve health and education outcomes,

[21] Joana Costa, Elydia Silva and Fábio Vaz, "The role of gender inequalities in explaining income growth, poverty and inequality: evidence from Latin American countries", Working Paper, No. 52 (Brasilia, International Policy Centre for Inclusive Growth, 2009).

[22] David Dollar and Roberta Gatti, "Gender inequality, income and growth: are good times good for women?", Policy Research Report on Gender and Development, Working Paper Series, No. 1 (Washington, D.C., World Bank, 1999).

especially among children. In 2013, social protection helped lift about 150 million people out of extreme poverty.[8]

41. Several countries have significantly extended social protection coverage. The gradual extension of social protection coverage has improved the well-being of the population and human capital formation and contributed to reductions in inequality. For example, conditional cash transfers have become important mechanisms within social policies and poverty eradication strategies. Across Latin America and the Caribbean, conditional cash transfers represent over 20 per cent of the incomes of poor beneficiaries. Without those transfers, levels of poverty would have been much higher. Transfers also contribute to the elimination of barriers that prevent the entry of those living in poverty into productive activities.

42. However, around 50 per cent of the world population has no access to any measures of social protection. Only 27 per cent of the global population has access to comprehensive social security systems. The remaining 73 per cent are either partially covered or do not have any coverage. Coverage in the least developed countries is less than 10 per cent and ranges from 20 to 60 per cent in middle-income countries.[23]

IV. Policy priorities for poverty eradication and employment creation

43. Eradicating poverty in all of its multiple forms requires policies and strategies that ensure that economic gains lead to shared prosperity, create decent jobs and reduce inequality. Strategic interventions are needed to incentivize and enable the private sector to generate more and better jobs in the sectors and communities where the poorest live and work, making full use of new and growing "green" markets. Comprehensive social protection systems must give people the stability and security they need to invest in the future and get ahead. People need to be at the centre of efforts to generate inclusive growth. Only where investments in people lead to growth in human capital do countries realize the innovation and productivity needed to generate the decent work and inclusive and sustainable growth necessary for poverty eradication.

44. Eradicating poverty through decent work is best supported by a coordinated framework of economic and social policy that improves the quantity and quality of employment. Recovering from the current period of slower economic growth in many countries and regions is critically important. Furthermore, as much recent research shows, reducing inequality and poverty supports faster growth.[24] Policy priorities should, therefore, focus on drivers of job-rich, inclusive and faster growth. Macroeconomic policy could contribute to job creation and poverty eradication by enabling the adequate provision of publicly supported services, creating, maintaining and upgrading physical and social infrastructure and making human resources and high-quality public services more widely available, in particular in rural areas or localities experiencing deficits.

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[23] ILO, *World Social Protection Report 2014/15: Building Economic Recovery, Inclusive Development and Social Justice* (Geneva, 2014).

[24] Jonathan D. Ostry, Andrew Berg and Charalambos G. Tsangarides, "Redistribution, inequality and growth", International Monetary Fund discussion note, SDN/14/02 (February 2014).

45. Countries should also facilitate and manage structural change. Many developing countries have considerable potential to grow further through economic diversification and structural transformation. Policies and measures to support structural transformation may include developing a leading sector or diversifying the economy through industrial and sectoral policies; supporting the development of sustainable enterprises and the upgrading of technologies and skills of workers in the informal economy, in particular among micro, small and medium-sized enterprises; and strengthening education and training for skills development to meet the current and future demand for workers.

46. In order to increase the total pool of productive start-ups and the survival rate of micro, small and medium-sized enterprises that can contribute to job growth and poverty eradication, a range of policy measures are needed that can overcome structural growth constraints and create an environment where equal opportunities among all micro, small and medium-sized enterprises prevail. That involves creating conditions for decent work, providing quality education and training, improving market information access, easing access to credit and to quality infrastructure and designing a level playing field through business and labour regulations.

47. Successful integration of young people and women into the labour market also accelerates structural transformation. Young people are more mobile, usually more educated than previous cohorts and capable of absorbing more from new work experiences. Employment policy should support decent work for young people by quantitatively and qualitatively estimating the worker and skill needs of current and future investments, informing education and training institutions and young people about such likely needs and providing employment counselling and labour market orientations to young people. Women's untapped potential can be unleashed through policies that enable their equitable access to education and training and productive resources, contribute to the redistribution of unpaid care work and lead to their equitable access to and benefit from gainful economic activities.

48. To improve educational outcomes, countries need to boost enrolment rates by enrolling those who are out of school, reaching the poorest, excluded and disadvantaged children and reducing dropout rates. Adequate resource allocation and focus on improving the quantity and quality of education, as well as qualified teacher retention and pay, are also essential. Special attention is also required for children in conflict-affected areas.

49. To improve access to quality health care, strong political commitment and global partnerships are required, including to increasing health financing, ensuring equal access to care and services and improving preparedness for and management of emergencies such as epidemic diseases, conflicts, humanitarian crises and disasters.

V. Financing for inclusive development

50. The Addis Ababa Action Agenda outlines several sources of financing for implementing the 2030 Agenda for Sustainable Development. Official development assistance remains essential to many developing countries. Development aid totalled $131.6 billion in 2015, an increase of 6.9 per cent over 2014 in real terms, with aid

spent on refugees in host countries more than doubling in real terms to $12 billion. Excluding funds spent on refugees, aid was still up 1.7 per cent in real terms.[25]

51. The Action Agenda also emphasizes the importance of mobilizing domestic resources for development. The domestic resources of developing countries are far greater than all sources of external financing. Developing countries are increasingly relying on tax revenue to finance development programmes. Tax revenues are still low, however, notwithstanding some progress globally. For the vast majority of countries in sub-Saharan Africa and Latin America, the tax-to-GDP ratio has actually stagnated or declined. The situation has been compounded by deteriorating terms of trade, especially for primary commodities. Tax competition is also undermining revenue mobilization.

52. To ensure the sustainability of development efforts, it is important for developing countries and their development partners to focus on boosting domestic resources for development. The Action Agenda also emphasizes the importance of how financial resources are spent, including the alignment of those resources with sustainable development. Efforts are required to improve the efficiency with which present resources are being used in critical sectors such as education, health and agriculture. The imperative to tackle illicit financial flows should also remain high on the international development agenda since they harm development efforts in poor countries.

VI. Review of United Nations system implementation of the Second Decade

53. Based on consultations with United Nations agencies, funds and programmes and regional commissions, the present review of the Second Decade concludes that a strong foundation has been laid to ensure that poverty eradication remains the overarching priority of the new global development agenda and the United Nations system. The Second Decade has contributed to the raising of awareness and the sharing of effective strategies to eradicate poverty and has influenced policies. Relevant organizations of the United Nations system, within their respective mandates and resources, have implemented the objectives of the Second Decade through advisory and programmatic support to Member States. Some examples of the activities of individual agencies in support of the Second Decade are described below.

54. As part of its strategic objectives and expected outcomes, the International Labour Organization (ILO) has included key themes such as decent work in the rural economy, the formalization of the informal economy and protecting workers from unacceptable forms of work. It undertook standard-setting processes in 2014-2015 that led to the adoption of Recommendation 204 concerning the transition from the informal to the formal economy. The Organization ensured the inclusion of the topic "Decent work in global supply chains" in the agenda of the 105th session of the International Labour Conference, which aimed to address the role of global supply chains in inclusive development and job creation. Furthermore, ILO has

[25] Organization for Economic Cooperation and Development, "Development aid rises again in 2015, spending on refugees doubles", 13 April 2015, available from www.oecd.org/development/development-aid-rises-again-in-2015-spending-on-refugees-doubles.htm.

established several centenary initiatives, including one on the future of work and another on ending poverty.

55. The Food and Agriculture Organization of the United Nations (FAO) has prioritized support for decent rural employment in its reviewed strategic framework. Its employment-related work addresses the provision of support to the formulation and implementation of policies, strategies and programmes that generate decent rural employment, policy advice, capacity development and technical support to extend the application of international labour standards to rural areas, as well as the provision of support to improve information systems and knowledge on decent rural employment at the national, regional and global levels. FAO has increased the visibility of decent work in the current global dialogue on effective fisheries management and responsible aquaculture. It also promotes access to social protection in rural areas and has mainstreamed decent work within its projects and programming frameworks and guidelines. FAO is an active member of the United Nations Inter-Agency Network on Youth Development and directly contributes to its United Nations System-wide Action Plan on Youth. It is part of the Global Initiative on Decent Jobs for Youth and its related strategy. In addition, the Organization is collaborating with the African Union and selected United Nations agencies in the design of the African Union's first five-year priority programme on employment, poverty eradication and inclusive development.

56. In support of the eradication of poverty, the United Nations Development Programme (UNDP) has organized itself to help countries overcome three dominant constraints to poverty reduction: slow and jobless growth; conflict and vulnerability; and inequality and exclusion. Full employment and decent work is an objective that runs across those efforts. UNDP promotes greater awareness about the decent work agenda as an effective element of development strategy for poverty eradication and has continued to conduct outreach and advocacy at all levels in connection with the recommendations in its 2015 Human Development Report. It shares good practices in promoting employment and decent work at the national and international levels. UNDP supports the integration of decent work towards poverty eradication into national and international policies and programmes.

57. Through the formulation and implementation of strategies that support the promotion of inclusive and sustainable industrial development, the United Nations Industrial Development Organization (UNIDO) plays a key role in addressing the challenges of poverty eradication through employment creation. UNIDO is actively engaged in enhancing the productive capacities of countries with a view to eradicating poverty and creating employment. It provides technical assistance to Governments to support the identification of clusters, strategic sectors and industrial value chains with high-growth and job-creation potential and to improve the financial and non-financial services provided by countries to existing and aspiring entrepreneurs, including services that cater to the needs of youth and women entrepreneurs. UNIDO also provides services that are geared towards improving the employability of the working-age population, particularly youth and women, and supports local communities in creating an entrepreneurial culture, bringing together stakeholders to engage in dialogue to raise awareness of the benefits of promoting entrepreneurship among youth and women.

58. The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) continues to address the issue of women's access to finance

through its programmatic work at the country level. In 2015, UN-Women supported gender-responsive planning and budgeting in 76 countries. It has contributed to the development and implementation of national action plans on gender equality in 21 countries and has supported the development of systems for tracking gender equality in 18 countries. Since 2013, a total of 30 countries have put in place systems to track gender allocations and to make them public. In 2015, UN-Women led efforts to mobilize greater political support for financing for gender equality. In the lead-up to the Third International Conference on Financing for Development, held in Addis Ababa, advocacy efforts and substantive input provided by UN-Women resulted in the inclusion of specific priorities for transformative financing for gender equality in the outcome document. The Addis Ababa Action Plan on Transformative Financing for Gender Equality and Women's Empowerment, led by UN-Women, was also launched during the Addis Ababa meeting.

59. The United Nations Population Fund (UNFPA) advances integrated solutions that address key drivers of poverty by focusing on universal access to sexual and reproductive health and reproductive rights, including specific attention to the capabilities, rights and prospects of women and young people. Over the past two years, UNFPA helped provide access to modern family-planning methods to an additional 53 million people, with 23 million adolescents accessing integrated sexual and reproductive health services. Those interventions averted an estimated 63,342 maternal deaths and prevented 23 million unintended pregnancies. UNFPA has supported countries in developing legislation and policies to end child marriage and to realize the demographic dividend, a major contributor to poverty eradication. Its efforts have focused on building country capacity for strategic assessments of population change, policies and multiplier effects and on building human capabilities and partnerships to pursue integrated, data-driven policymaking and implementation. In addition, UNFPA has supported data collection efforts in 130 countries.

60. The United Nations Children's Fund (UNICEF) advocates for child poverty to be recognized as a global and national priority issue to be acted upon by providing new evidence, improving the availability of data on child poverty and collaborating with partners to address child poverty in all its dimensions. UNICEF has expanded the number of children and families accessing social protection programmes and ensured that those programmes maximize positive outcomes for children. At the global level, UNICEF has, through the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, contributed to the development and refinement of the monitoring framework for the 2030 Agenda. UNICEF is currently working with its partners to increase the availability of global and national data on child poverty. Furthermore, it provides technical support to national statistical offices in the collection and analysis of child poverty data and supports Governments in progressively realizing 12 years of basic education for all girls and boys, including the most marginalized. UNICEF also strives to include child labour concerns in national policy and education plans and to make social protection systems child sensitive.

61. The Economic and Social Commission for Asia and the Pacific (ESCAP) is enhancing the capacity of its member States to address poverty eradication and reduce inequalities through its analytical and technical cooperation work. ESCAP has developed an online interactive toolbox to raise awareness and strengthen the knowledge base with respect to the importance of broadening and strengthening

social protection.[26] In collaboration with ILO, the Commission recently launched the report of the Asia-Pacific Regional Coordination Mechanism/United Nations Development Group thematic working group on youth, entitled "Switched On: Youth at the Heart of Sustainable Development in Asia and the Pacific". In addition, ESCAP conducts analytical work on existing systems of income security for older persons in select countries, which are used in technical cooperation, providing policymakers with policy options to provide income security for all older persons.

62. The Economic and Social Commission for Western Asia (ESCWA) is actively engaged in helping its member countries to design evidence-based policies and a framework for the measurement of multidimensional poverty. In collaboration with the League of Arab States, ESCWA conducts poverty training workshops to develop the capacities of member countries in the area of poverty measurement. It has also developed a new tool for the measurement of multidimensional poverty that is tailored to the Arab region. ESCWA has also developed a tool for consistent household survey methodologies across countries and, jointly with the Arab Urban Development Institute, developed a multidimensional household-based urban deprivation index that can measure poverty and deprivation at the city level. ESCWA is also partnering with other regional commissions to improve the statistical capacities of member countries in the area of poverty and inequality measurement.

VII. Conclusion and recommendations

63. A broad range of economic and social policies are necessary for poverty eradication. Economic growth is important, but not sufficient, for eradicating poverty and achieving inclusive development. While some policies aim to promote inclusive growth that will raise income and reduce inequality, others focus on removing obstacles faced by people and groups that so far have been left behind. Key among them are active labour market policies that foster employment creation and human resources development, enhance the capabilities of people living in poverty, redistribute and expand social protection, promote gender equality and women's empowerment and invest in agriculture, rural development and infrastructure. While the private sector has to be the primary engine for job growth, there is a clear role for public policy in promoting fair and inclusive economic and social policies. Experience over the course of the Second Decade shows that poverty eradication is primarily a matter of political priorities in national decision-making. There is also a clear role for United Nations agencies in supporting country-led poverty eradication strategies and in implementing the 2030 Agenda.

64. **The General Assembly may wish to consider the following recommendations:**

(a) **Develop policy tools, with the support of the United Nations system and other international partners, backed by resource commitments, as well as institutions oriented towards inclusive and sustainable development in order to reach those furthest left behind;**

(b) **Implement economic and social policies that promote inclusive growth, job creation, poverty eradication and inequality reduction;**

[26] See Economic and Social Commission for Asia and the Pacific, "Social protection toolbox", available from www.socialprotection-toolbox.org.

(c) **Boost investments in education, including early childhood education and development, and health in order to increase the productivity of the labour force and to harness the demographic dividend for poverty eradication;**

(d) **Promote women's economic empowerment, access for women and young people to decent employment, skill development opportunities and productive resources and their awareness of their rights at work. Efforts should also be made to reduce the considerable gender gap in the labour market and to protect migrant workers;**

(e) **Facilitate and manage structural change that fosters sustained economic growth that ensures more and better jobs that result in poverty eradication. In the least developed countries, there is a strong need for sustained investments in agriculture, in particular in increasing productivity among smallholder farmers;**

(f) **Strengthen social protection measures to reduce the vulnerability of workers and their families to unexpected shocks and to mitigate the adjustment costs that invariably arise from structural change;**

(g) **Draw lessons from the implementation of the Second Decade and the Millennium Development Goals, in particular with respect to improving data and monitoring systems, harnessing partnerships, fostering the global exchange of ideas and experiences and showcasing innovative and effective initiatives and strategies to eradicate poverty and create decent jobs, to build momentum towards the implementation of the 2030 Agenda.**

65. **On its part, the United Nations system should:**

(a) **Support Member States in their implementation of the objectives of the Second Decade and the 2030 Agenda by strengthening coordination, coherence and synergies in the areas of poverty eradication, job creation, investment in human resources development, inequality reduction and protecting the planet;**

(b) **Assist countries in closing the gap between policies and the capacity to deliver, which entails assisting them in putting in place a social and macroeconomic policy framework that is connected to the core concerns of socioeconomic development. Through such a framework, which will provide a platform for stakeholder assessment of policy measures that work, Governments should explicitly commit to improving employment and poverty outcomes and to regularly collecting disaggregated data for national monitoring and evaluation purposes.**